

Message Text

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41

ACTION AF-18

INFO OCT-01 DRC-01 ISO-00 CIAE-00 COME-00 EB-11 INR-11

LAB-06 NSAE-00 RSC-01 SIL-01 DODE-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 AID-20 FRB-03

TRSE-00 XMB-07 OPIC-12 CIEP-03 OMB-01 /159 W

----- 000830

R 101130Z SEP 74 CTG #0320M

FM AMCONSUL DURBAN

TO SECSTATE WASHDC 1795

INFO AMEMBASSY PRETORIA

AMCONSUL JOHANNESBURG

GUEHPCT/AMCONSUL CAPE TOWN 1326

UNCLAS DURBAN 0318

CAPE TOWN ALSO FOR EMBASSY

E.O. 1132:D,EFT

SUBJECT: AMERICAN OWNED STERLING DRUG CO.

1. SUMMARY:

ENTIRE AFRICAN WORK FORCE STRUCK AMERICAN-OWNED STERLING DRUG CO. SEPT 6 FOLLOWING WHAT THEY CONSIDERED INADEQUATE WAGE INCREASE. COMPANY HAS REFUSED NEGOTIATE WITH UNION REPRESENTATIVES AND HAS FIRED ALL STRIKERS, OFFERING TO RE-HIRE THEM ON INDIVIDUAL BASIS. STRIKE IS CONTINUING.

2. SOME 180 AFRICAN WORKERS STRUCK AMERICAN-OWNED STERLING WINTHROP DRUG COMPANY IN DURBAN SEPTEMBER 6. WORKERS WENT OUT AFTER RECEIVING PAY ENVELOPES WHICH CONTAINED SMALLER INCREASES THAN EXPECTED.

3. AMERICAN MANAGER, DONALD RITTER, TOLD CONGEN THAT WORKERS
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HAD RECEIVED PAY INCREASES RANGING FROM RAND 1.50 TO R2.00 PER WEEK. THIS WAS SECOND INCREASE THIS YEAR, WITH TOTAL INCREASES RANGING FROM R2.50 TO R6.50, OR 16 PER CENT OVERALL. SALARY RANGE AT STERLING IS FROM R18.50 TO R34.00 PER WEEK FOR AFRICANS.

4. WORKERS HAD NOT BEEN TOLD WHAT NEW INCREASE WAS TO BE, BUT IT WAS LESS THAN THEY EXPECTED. STRIKERS ARE DEMANDING ADDITIONAL ACROSS-THE-BOARD INCREASE OF R5.00 PER WEEK.

5. STERLING HAS DISCUSSED MATTER WITH COMPANY-NOMINATED LIAISON COMMITTEE AND SAG DEPT OF LABOR REPRESENTATIVEU. IT HAS REFUSED MEET WITH REPRESENTATIVE OF (AFRICAN) CHEMICAL AND ALLIED WORKERS UNION WHICH CLAIMS REPRESENT SOME OF WORKERS. UNION REPRESENTATIVE CALLED CONGEN ASKING ITS ASSISTANCE IN GETTING IN TOUCH WITH STERLING MANAGEMENT FOR NEGOTIATIONS. CONGEN MENTIONED UNION APPROACH TO RITTER, WHO DISPLAYED NO INTEREST.

6. STERLING NOTIFIED ALL WORKERS ON SEPTEMBER 9 TO REPORT BACK TO WORK AT NOON OR THEY WOULD BE FIRED. NONE HAS YET RETURNED, BUT WHEN THEY DO, THEY WILL BE SELECTIVELY RE-HIRED, ACCORDING TO RITTER, EXCLUDING ALL KNOWN STRIKE ORGANIZERS.

7. STRIKE HAS BEEN PEACEFUL SO FAR, WITH BOTH POLICE AND STRIKE LEADERS STANDING BY OUTSIDE GATES. SOME PRODUCTION CONTINUES WITH WHITE STAFF.

8. COMMENT: STRIKE IS YET ANOTHER EXAMPLE OF SO MANY RECENT DURBAN STRIKES CAUSED BY LACK OF COMMUNICATIONS BETWEEN MANAGEMENT AND WORKERS. TYPICALLY, WAGE INCREASES ARE DETERMINED UNILATERALLY BY MANAGEMENT AND WORKERS LEARN ABOUT IT ONLY UPON OPENING PAY ENVELOPES. WHILE STERLING CONSIDERS ITSELF TO BE PROGRESSIVE EMPLOYER AND WAS PRAISED BY CHIEF BUTHELEZI IN JUNE 1972 (DURBAN 253), IT IS TAKING HARD LINE IN THIS STRIKE.
HOLMES

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NNN

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